

REGULATION

Appointing Authority Letter Reference SPDOC No.: CS-698304-19	Effective Date: August 18, 2002 <u>2004</u>	Index Reference: Salary Schedule	Regulation Number: 5.01
Issuing Bureau: Human Resource Services <u>Compensation</u>	Rule Reference: Rules: 5-1 (Civil Service Compensation Plan) 5-2 (Hours of Service) 5-3 (Compensation Schedules)	Replaces: Reg. 5.01 (CS- 6943, May 1, 2004 <u>6983,</u> <u>August 18, 2002</u>)	
Subject: GENERAL SALARY SCHEDULE ADMINISTRATION			

TABLE OF CONTENTS

1. PURPOSE.....	2
2. CIVIL SERVICE COMMISSION RULE REFERENCE	2
3. STANDARDS.....	4
A. Full and Part-time Employees.	4
B. Schedule Establishment and Amendment.	4
C. Salary Range.....	5
D. Movement Within the Salary Range.	5
E. Salary Upon New Hire (Initial Appointment).	7
F. Salary Upon Personnel Action Other Than New Hire (Standard E.), Reduction in Force (Standard G.), or Recall (Standard H.).....	7
G. Salary Upon Reduction in Force.....	8
H. Salary Upon Recall.....	8
I. Salary for Working Out of Class (WOC).	8
J. Salary Upon Return from Leave of Absence.	9
K. Salary Upon Return from Military Leave of Absence.....	9
L. Salary Upon Appointment to and Reclassification from Departmental Trainee, State Transitional Business & Administrative Technician, State Transitional Professional, and State Transitional Manager.	9
M. Salary Upon Appointment to Other Entry Level Professional Classifications.	10
N. Training Rate Upon Job Change Within Group 1 of the Classification Plan.	10

O. Special Pay Application.....	10
P. Special Work Schedule.....	11
Q. Exceptions.....	11

1. **PURPOSE**

This regulation establishes the standards and procedures for administration of the compensation schedules approved by the Civil Service Commission.

2. **CIVIL SERVICE COMMISSION RULE REFERENCE**

Rule 5-1 Civil Service Compensation Plan

* * *

5-1.2 Amendments to Compensation Plan

The civil service commission may amend the compensation plan at any time, consistent with article 11, section 5, of the constitution. The state personnel director may submit to the commission recommended amendments to the compensation rules at any time. The director shall also submit to the commission for its review (1) any proposed collective bargaining agreement or amendment agreed to by the state employer and an exclusive representative, (2) any recommendation of the impasse panel, and (3) any recommendation of the coordinated compensation panel.

* * *

Rule 5-2 Hours of Service

5-2.1 Work Period

- (a) ***Standard work period.*** *The standard biweekly work period for a full-time employee in the classified service is the equivalent of 80 hours of work.*
- (b) ***Alternative work periods.*** *The state personnel director may issue regulations that establish alternative work periods and measures of equivalent full-time service. The regulations may conform the compensation plan to the alternative periods and measures.*

* * *

Rule 5-3 Compensation Schedules

5-3.1 Compensation Schedules

The civil service commission shall approve compensation schedules that establish the rates of compensation for each class of positions in the classified service. The rates of compensation authorized are for full-time employment. Payment for part-time service is proportionate to the time actually worked. If a new classification is added to the classification plan, the state personnel director shall initially establish the rates of compensation for the classification.

* * *

5-3.3 Individual Compensation

The appointing authority shall assign the individual level of compensation for each classified employee as provided in the compensation plan. The individual level of compensation must fall within the range of rates of compensation approved by the civil service commission for the employee's classification level. If the appointing authority implements an approved salary-range subdivision, the individual level of compensation of an employee subject to the subdivision must also fall within the approved departmental range of rates for the subdivision. Any exception must be approved by the state personnel director.

5-3.4 Operation of Compensation Schedules

An employee in the classified service cannot be paid less than the minimum nor more than the maximum authorized in the compensation plan, unless authorized by the state personnel director.

- (a) **Initial appointment.** On initial appointment, an employee is paid the minimum salary step in the salary range unless the appointing authority chooses to pay a higher initial salary as authorized in the compensation plan.*
- (b) **Schedules with steps.** If the compensation plan creates steps in the pay range, an employee receives pay increases in the amounts and at the intervals provided for in the compensation schedule for the employee's classification level. An employee under an unsatisfactory probationary, interim, or follow-up rating is not eligible for a step increase.*
 - (1) **Effective date.** Any pay increase is effective at the beginning of the first pay period after the employee becomes eligible.*
 - (2) **Advancement.** An employee advances in pay by successive steps of the pay range for the employee's classification level, as provided in the compensation plan, unless a special increase is granted in accordance with the compensation plan.*
 - (3) **Reduction of pay.** An appointing authority may, for cause, reduce the pay of an employee receiving more than the minimum step for the classification level.*

- (4) **General schedule revision.** *If the compensation schedule is amended, an employee is paid at the salary step corresponding in length of service to the step at which that employee was being paid in the previous salary range for the classification level.*

* * *

- (e) **Salary rate for temporary projects.** *Upon request of an appointing authority, the state personnel director may approve alternative or supplemental compensation that exceeds the scheduled maximum rate of pay for an employee assigned to a temporary project. The appointing authority must receive written authorization for the project pay from the department of civil service before the employee is assigned to the project. Temporary project pay may not exceed two years without the written authorization of the state personnel director.*
- (f) **Red-circled pay treatment.** *The state personnel director may authorize an employee's salary to be red-circled. An employee whose pay is red-circled continues to be paid at the employee's red-circled salary rate until the scheduled maximum salary of the employee's classification or classification level equals or exceeds the red-circled salary rate. An employee whose salary is red-circled is not eligible for any portion of a general wage adjustment that exceeds the maximum of the employee's classification or classification level.*

5-3.5 Salary Rate Upon Change in Classification, Return from Layoff, or Reinstatement

An employee who moves from one classification to another and who returns from layoff or is reinstated after separation is paid in the new classification at the appropriate salary step in accordance with the compensation plan.

3. STANDARDS

A. Full and Part-time Employees.

All annual, monthly, and biweekly rates of pay authorized in the compensation plan are for full-time employment. Payment for part-time employment is based on time in pay status.

B. Schedule Establishment and Amendment.

The Civil Service Commission has established a compensation schedule covering all positions in the classified service, which consists of salary ranges to which all classification levels in the classified service are assigned.

1. **Schedule Amendments.** The Civil Service Commission amends the schedule as necessary. If the schedule is amended, compensation is adjusted as follows:

- a. **General Salary Schedule Adjustment.** An employee remains at the same salary step in the adjusted range unless the Civil Service Commission has authorized a different step.

(1) An employee at a red-circle rate is not eligible for a general salary schedule adjustment unless the adjustment increases the maximum of the employee's appropriate salary range to a rate equal to or higher than the red-circle rate, at which time the rate in the appropriate range replaces the red-circle rate.

(2) An employee occupying a frozen position or classification is eligible for general increases.

- b. **Salary Upon Appointment To a Newly Established Classification.** When an employee is appointed to a newly established classification, salary is determined in accordance with standard F.

C. Salary Range.

An employee must not be paid less than the minimum nor more than the maximum of the salary range for the classification level to which assigned. The employee is paid only at the precise increments listed in the compensation schedule, except as provided below.

1. **Salary for Red-Circled Employees.** An employee designated as red-circled may be paid at a rate in excess of the maximum salary rate for the classification to which assigned in the position that is red-circled. When an employee moves to a different position, the employee may not retain the red-circled pay.
2. **Salary Upon Special Project Basis.** For employment on a project basis not involving continual employment and when application is made in advance of employment by the appointing authority, the state personnel director may establish an alternative hourly rate of pay or lump sum award that exceeds the scheduled maximum pay.

D. Movement Within the Salary Range.

An employee progresses from one step to the next higher step within the salary range upon completion of the required number of hours in pay status, if the employee's current rating is satisfactory.

1. **Effect of Unsatisfactory Service Rating.** An employee who has received an unsatisfactory service rating does not have any time in pay status credited as hours since the last step while the service rating is in effect. Upon return to satisfactory status, earning of hours since the last step resumes from the number accrued when credit was stopped.

2. **Teacher Salary Schedules.** An employee assigned to a 42-week or 46-week teacher salary schedule is eligible for progression to the next higher salary step upon completion of the annual work schedule, if the employee's current rating is satisfactory.
 - ~~a. An employee assigned to a 42-week or 46-week teacher salary schedule is eligible for progression to the next higher salary step upon completion of the annual work schedule, if the employee's current rating is satisfactory.~~
 - ~~b. When an employee in a teacher classification qualifies for a higher academic salary schedule by completing the scholastic requirements, the employee is paid at the same step in the new schedule and retains hours since the last step.~~
3. **Accelerated Step Increases.** The state personnel director may authorize advancing an employee whose current rating is satisfactory to a higher step in the salary range at an accelerated rate upon application by the appointing authority.
 - a. An appointing authority may advance an employee without prior approval if any of the following apply:
 - (1) The employee has completed special assignments that have resulted in a major benefit to the employee's department or agency.
 - (2) The employee has performed outstanding service, for reasons that have been documented.
 - (3) An employee's pay rate has been determined in accordance with standard F., and an additional step is necessary to provide additional compensation in special circumstances which have been documented.
 - b. Special step increases are normally limited to the next higher step in the range. The appointing authority must document all special step increases. The documentation must include justification for the step increase and reasons for granting more than one step. The documentation must be retained for audit purposes, in accordance with the retention schedule.
 - c. Special step increases are normally effective on a prospective basis. If an appointing authority processes a retroactive special step increase based upon documented extenuating circumstances, any retroactivity must be within 7 pay periods of the date the increase is processed.

4. **Reduction of Pay.** The appointing authority must receive prior approval from the director to reduce the salary of an employee. Requests must contain all pertinent information, including the amount of reduction and the justification for the proposed action. The employee's rate of pay must not be reduced below the minimum rate for the classification level.

E. Salary Upon New Hire (Initial Appointment).

Upon first appointment to a position, an employee is paid the minimum rate in the salary range. The director may authorize a higher starting rate upon application by the appointing authority. An appointing authority may authorize a higher rate without prior approval if any of the following apply:

1. The position has been vacant for a long period of time and there is difficulty in recruiting for the particular position.
2. The prospective employee is currently employed outside the classified service and a salary in excess of the minimum is necessary to attract.
3. The prospective employee has special experience and/or education. The background should be well beyond the minimum qualifications contained in the specification for classification of the position.
4. The prospective employee has been a state employee previously and has experience pertinent to the position.

Note: The personnel office must document the reason for an above minimum starting rate when one of the above conditions applies. The documentation must be retained for audit purposes.

F. Salary Upon Personnel Action Other Than New Hire (Standard E.), Reduction in Force (Standard G.), or Recall (Standard H.).

1. If the former and the new classification level share the same pay range, or if the former and new positions are in the same classification level and the employee is moving from an included position to an excluded position or vice versa, the employee is placed at the same step in the range. If the maximum rates are the same and the steps are different, the employee is placed at the closest rate without a decrease. The employee's hours since the last step are retained.
2. If the maximum rate of the new classification level is higher than the maximum rate of the former classification level, the employee's rate of pay may be calculated in one of the following ways:
 - a. If the maximum rate of the new classification level is higher than the maximum rate of the former classification level, the employee's rate of pay is the lowest step in the range for the new classification level that reflects a salary increase that is not less than the difference between the minimum and the

first step in the range for the former classification level, if possible. The employee's hours since the last step are set to zero.

- b. A department may request an individual or blanket approval for a different rate of pay if the maximum rate of the new classification level is higher than the maximum rate of the former classification level. That different rate of pay must be approved by the Department of Civil Service before implementation. It may not be used for working out of class payments, unless an exception has been approved by the state personnel director for a specific situation.

Note: If an employee is due a step increase on the same day as this standard is applied, the employee receives the step increase first, and that step is used to determine step placement in the new range.

- 3. If the maximum rate of the new classification level is less than the maximum rate of the former classification level, the employee is placed at the closest step in the new range that reflects no increase. The employee's hours since the last step are retained.

4. If an employee moves within the same classification and level to a new pay grade with a higher maximum pay rate, the employee is placed at the closest step in the new range without a decrease and the employee's hours since the last step are retained. If an employee moves within the same classification and level to a new pay grade with a lower maximum pay rate, the employee's pay is set at the closest step in the new pay range that reflects no increase and the employee's hours since the last step are retained.

G. Salary Upon Reduction in Force.

If an employee is moved to a different classification as the result of a reduction in force, the employee is placed at the closest step in the new range that reflects no increase. The employee's hours since the last step are retained.

H. Salary Upon Recall.

If an employee is recalled, the rate of pay is determined based upon the rate and range at the time of displacement in conjunction with standard F. The employee's hours since the last step are retained.

I. Salary for Working Out of Class (WOC).

An employee eligible for WOC compensation in accordance with regulation 4.08 [Working Out of Class] is compensated by application of standard F.2.a. of this regulation, if the range for the WOC classification is a step-in-grade salary range. If the employee is eligible for WOC compensation in a

performance-pay classification, regulation 5.07 [Performance-Pay and IT Bonus Programs] applies.

1. If an employee is eligible for WOC compensation, payment is processed as a gross pay adjustment (GPA).
2. Holidays or leave time used are not paid at the WOC rate until after completion of the first 10 workdays of the assignment.
3. If an employee eligible for WOC compensation is assigned to work out of class in a preauthorized series, the employee is paid at the appropriate step for the classification level for which the employee meets the required education and experience, typically the entry level.
4. The agency must retain adequate documentation to substantiate WOC compensation for audit purposes.

J. Salary Upon Return from Leave of Absence.

If an employee returns from an approved leave of absence, the rate of pay and hours since the last step are determined as follows:

1. If an employee returns to a position in the same classification level, the employee returns to the same step in the range as when the leave of absence began. The employee's hours since the last step are retained.
2. If an employee returns to the same position, but the position has been reclassified to a higher level, the employee's rate of pay is determined in accordance with standard F.2.

K. Salary Upon Return from Military Leave of Absence.

If a veteran returns to the same position from an approved military leave of absence and the veteran's last service rating prior to the leave of absence was satisfactory, the veteran is placed at the step in the range which would have applied had there been no interruption of state service.

L. Salary Upon Appointment to and Reclassification from Departmental Trainee, State Transitional Business & Administrative Technician, State Transitional Professional, and State Transitional Manager.

If an employee is appointed to a transition classification, the employee's salary may be retained or reduced as provided below:

1. Upon appointment, the employee maintains the current rate of pay if it is less than or equal to the maximum of the classification level to which the employee will be reclassified upon completion of the transition period. If the employee is paid more than the classification level to which the employee will be reclassified, the employee is paid at the maximum of the classification level to which the employee will be reclassified.
2. Upon successful completion of the required transition period, the employee is reclassified to the appropriate technician, professional, or

managerial classification. Upon reclassification, the closest rate in the new pay schedule that is not a decrease is assigned.

M. Salary Upon Appointment to Other ~~Trainee~~Entry Level Professional Classifications.

The employee is normally assigned to the minimum step of the salary range. The employee may be assigned to a step higher than the minimum in accordance with standards E., F., G., or H. Any step placement above the minimum step must not exceed a pay rate that will enable the employee to receive a promotional increase under standard F.2 upon timely reclassification to the intermediate level of the classification series; i.e., the ~~trainee~~entry level rate cannot exceed the maximum step of the intermediate level in the classification series.

N. Training Rate Upon Job Change Within Group 1 of the Classification Plan.

The training rate is: (A) the employee's current rate or the maximum rate of the new classification series experienced level, whichever is less, when the current rate exceeds the new pay range max (see subsection 1., below); or (B) the closest step in the new range without a decrease, when the employee's current rate is less than the new pay range max (see subsection 2., below).

1. **Training rate exceeds the maximum rate for the new classification level.** Upon appointment to the new classification series at the entry or intermediate level, when the employee's Training Rate exceeds the maximum rate of the new ~~range~~level, the employee's pay step is set at the employee's current rate, or the maximum rate of the new series experienced level, whichever is less. The Department of Civil Service will authorize use of the "Training" pay schedule to enable the appointing authority to enter a rate above the maximum. When an employee is eligible to move out of the "Training" pay schedule, the closest rate in the new pay range that is not a decrease is assigned.
2. **Training Rate is less than the maximum rate for the new classification level.** Upon appointment to the new classification series at the entry or intermediate level, when the employee's current rate is less than the maximum of the new range, the employee's pay step is set at the closest step in the new range without a decrease. The employee's hours since the last step are retained. The employee is eligible to receive step increases.

O. Special Pay Application.

An appointing authority may require an employee to work under special conditions not covered by specific provisions of these regulations. Additional compensation for such applications may be authorized by the state personnel director upon application by the appointing authority.

P. Special Work Schedule.

Employees at the Michigan School for the Deaf and Blind who work on a school year basis are considered annual employees for purposes of service credits.

Q. Exceptions.

Exceptions to the standards contained in this regulation must be approved by the state personnel director.

CONTACT

Questions regarding this regulation should be directed to the Department of Civil Service, P.O. Box 30002, 400 South Pine Street, Lansing, Michigan 48909; by telephone, at 517-335-7862 or 517-373-7618; or by e-mail to MDCS-BHRSCompensation@michigan.gov.

NOTE: Regulations are issued by the State Personnel Director, under authority granted in the *State of Michigan Constitution* and the *Michigan Civil Service Commission Rules*. Regulations that implement Commission Rules are subordinate to those Rules.



Rules & Regulations

> Rules

> Regulations

State Personnel Director

> Official Communications

> Advisory Bulletins

> Compensation Plan

Grievances, Complaints & Appeals

DSTARS Decision

> Database

Recent Civil Service

> Decisions

Other Regulatory

> Information

Employment Information

Training & Development

Agency Services

Employee Benefits

Inside Civil Service

State Board of Ethics

[\[Printer Friendly\]](#)

Chapter 5 Compensation and Fringe Benefits

[5-1 Civil Service Compensation Plan](#)
[5-2 Hours of Service](#)
[5-3 Compensation Schedules](#)
[5-4 Additional Compensation: Overtime, etc.](#)
[5-5 Additional Compensation: Prison Employees](#)
[5-6 Additional Compensation: Miscellaneous](#)
[5-7 Expense Reimbursement](#)
[5-8 Longevity Payment](#)
[5-9 Supplement to Workers' Disability Compensation](#)
[5-10 Paid Holidays and Leave](#)
[5-11 Group Insurance Plans](#)
[5-12 Maintenance Allowance](#)
[5-13 Retirement](#)
[5-14 Coordination of Benefits](#)
[5-15 Electronic Funds Transfer](#)
[5-16 Temporary Furloughs](#)
[5-17 Deferred Retirement Option Plan for State Police Command Officers](#)

5-1 Civil Service Compensation Plan

5-1.1 Application

- (a) **General application.** All eligible employees in the classified service receive compensation and fringe benefits in accordance with the compensation plan, except as provided in subsection (b).
- (b) **Collective bargaining agreement.** All employees in the classified service are covered by these rules, except that employees covered by an approved collective bargaining agreement differing from the compensation plan are governed by the collective bargaining agreement, where different.

5-1.2 Amendments to Compensation Plan

The civil service commission may amend the compensation plan at any time, consistent with article 11, section 5, of the constitution. The state personnel director may submit to the commission recommended amendments to the compensation rules at any time. The director shall also submit to the commission for its review (1) any proposed collective bargaining agreement or amendment agreed to by the state employer and an exclusive representative, (2) any recommendation of the impasse panel, and (3) any recommendation of the coordinated compensation panel.

5-1.3 Coordinated Compensation Plan

The coordinated compensation panel shall send a recommended coordinated compensation plan for all nonexclusively represented classified employees to the civil service commission. The panel shall consider negotiated collective bargaining agreements, any impasse panel recommendations, and any recommendations of the employer or employees. The panel shall send its recommendation on or before the date set by the state personnel director.

[Rule 5-1 last amended effective January 1, 2002]

More State Web Sites

Related Content

- [Civil Service Rules Introduction](#)
- [Table of Contents](#)
- [Chapter 1 Basic](#)
- [Chapter 2 Employment Provisions](#)
- [Chapter 3 Appointments and Job Changes](#)
- [Chapter 4 Classification](#)
- [Chapter 6 Employee-Employer Relations](#)
- [Chapter 7 Disbursements for Personal Services Outside the ...](#)
- [Chapter 8 Grievances, Technical Complaints, and Appeals](#)
- [Chapter 9 Definitions](#)
- [Index to Rules](#)

5-2 Hours of Service

5-2.1 Work Period

- (a) **Standard work period.** The standard biweekly work period for a full-time employee in the classified service is the equivalent of 80 hours of work.
- (b) **Alternative work periods.** The state personnel director may issue regulations that establish alternative work periods and measures of equivalent full-time service. The regulations may conform the compensation plan to the alternative periods and measures.

5-2.2 Service Hours toward Benefits

A career employee in the classified service earns credit for hours paid in a biweekly work period for accruing fringe benefits. An employee cannot receive credit for paid service in excess of 80 hours in a biweekly work period. A noncareer employee is not eligible for fringe benefits and cannot accrue credit hours toward benefits.

5-2.3 Voluntary Work Schedule Adjustment Plans

An employee may volunteer to participate in any voluntary work schedule adjustment plan authorized in this rule. The employee's appointing authority has the discretion to approve or disapprove an employee's participation in a plan. If an appointing authority approves an employee's participation, the appointing authority may later rescind or modify its approval, effective at the end of any pay period, by giving advance written notice to the employee. An employee cannot grieve a decision of an appointing authority to disapprove participation in a program or to rescind or modify previous approval.

(a) Plan A: Biweekly scheduled hours reduction.

- (1) **Eligibility.** Only full-time employees who have satisfactorily completed 720 hours of state service are eligible to participate in Plan A.
- (2) **Operation of Plan A.** Under Plan A, an employee may reduce the number of scheduled work hours by 1 to 16 hours per pay period. In addition, for one pay period in a fiscal year, an employee may reduce the number of scheduled work hours by up to 40 hours. Time off under Plan A counts against leave entitlement under the federal Family and Medical Leave Act (FMLA) if the time off is for a qualifying purpose under the FMLA.
- (3) **Group insurance continuation.** An employee's enrollment in state sponsored group insurance plans is unaffected by participation in Plan A.
- (4) **Leave accruals and service credits.** While an employee participates in Plan A:
 - (A) The employee does not incur a break in service as a result of the reduction in hours worked.
 - (B) The employee continues to accrue annual leave and sick leave as though the employee was in approved paid status for 80 hours per pay period.
 - (C) The employee is given state service credit of 80 hours per pay period for purposes of retirement service credit, longevity pay, pay step increases, employment preference, and holiday pay.

(b) Plan C: Leave of absence.

- (1) **Eligibility.** Only full-time and part-time employees who have satisfactorily completed their initial probationary period are eligible for Plan C. Permanent-intermittent employees are not eligible.

- (2) Operation of Plan C.** Under Plan C, an employee may elect to take one unpaid leave of absence during a fiscal year. The length of a Plan C leave of absence must be at least 2 weeks and at most 3 months. Time off under Plan C counts against leave entitlement under the federal Family and Medical Leave Act (FMLA) if the leave is for a qualifying purpose under the FMLA.
- (3) Insurance.** Except for the long-term disability income protection plan, an employee's enrollment in state sponsored group insurance plans is unaffected by participation in Plan C so long as the employee prepays the employee's share of the premiums for the entire Plan C leave of absence. Long-term disability income protection coverage is not in effect during the leave of absence, but is reinstated after the leave of absence, as provided in the regulations.
- (4) Leave accruals and service credits.** While an employee is on a Plan C leave of absence:
 - (A)** The employee does not incur a break in service as a result of the Plan C leave of absence but no state service is granted for any purpose for the period of the leave.
 - (B)** The employee's accumulated annual leave and sick leave balances are frozen during a Plan C leave of absence. The employee does not accrue any further leave credits during the period of the leave of absence.

[Rule 5-2 last amended effective July 24, 2003]

5-3 Compensation Schedules

5-3.1 Compensation Schedules

The civil service commission shall approve compensation schedules that establish the rates of compensation for each class of positions in the classified service. The rates of compensation authorized are for full-time employment. Payment for part-time service is proportionate to the time actually worked. If a new classification is added to the classification plan, the state personnel director shall initially establish the rates of compensation for the classification.

5-3.2 Departmental Salary-range Subdivisions

An appointing authority, with the prior written approval of the state personnel director, may implement departmental salary-range subdivisions within a salary range. A salary-range subdivision must fall within the range of rates of compensation approved by the civil service commission for the classification. The salary-range subdivision must be based on relevant, job-related departmental considerations, such as job complexity, level of responsibility, market conditions, or reporting relationships. The appointing authority shall publish all approved salary-range subdivisions for its affected employees.

5-3.3 Individual Compensation

The appointing authority shall assign the individual level of compensation for each classified employee as provided in the compensation plan. The individual level of compensation must fall within the range of rates of compensation approved by the civil service commission for the employee's classification level. If the appointing authority implements an approved salary-range subdivision, the individual level of compensation of an employee subject to the subdivision must also fall within the approved departmental range of rates for the subdivision. Any exception must be approved by the state personnel director.

5-3.4 Operation of Compensation Schedules

An employee in the classified service cannot be paid less than the minimum nor more than the maximum authorized in the compensation plan, unless authorized by the state personnel director.

- (a) **Initial appointment.** On initial appointment, an employee is paid the minimum salary step in the salary range unless the appointing authority chooses to pay a higher initial salary as authorized in the compensation plan.
- (b) **Schedules with steps.** If the compensation plan creates steps in the pay range, an employee receives pay increases in the amounts and at the intervals provided for in the compensation schedule for the employee's classification level. An employee under an unsatisfactory probationary, interim, or follow-up rating is not eligible for a step increase.
 - (1) **Effective date.** Any pay increase is effective at the beginning of the first pay period after the employee becomes eligible.
 - (2) **Advancement.** An employee advances in pay by successive steps of the pay range for the employee's classification level, as provided in the compensation plan, unless a special increase is granted in accordance with the compensation plan.
 - (3) **Reduction of pay.** An appointing authority may, for cause, reduce the pay of an employee receiving more than the minimum step for the classification level.
 - (4) **General schedule revision.** If the compensation schedule is amended, an employee is paid at the salary step corresponding in length of service to the step at which that employee was being paid in the previous salary range for the classification level.
- (c) **Performance-pay programs.**
 - (1) **Salary range.** For each class of positions in a performance-pay program, the civil service commission shall approve a salary range that includes (1) a minimum point, (2) one or more control points, and (3) a maximum point:
 - (A) **Minimum point.** The minimum point is the lowest base salary payable to an employee in the classification.
 - (B) **Control point.** The control point is the highest base salary payable to an employee in the classification.
 - (C) **Maximum point.** The maximum point is the maximum total salary, including both base salary and any lump sum awards, payable to an employee in the classification during a fiscal year.
 - (2) **Performance-pay awards.**
 - (A) **Awards authorized.** If an employee's position is included in a performance-pay program, the appointing authority, with the approval of the state personnel director, may award the employee an increase in base salary or a lump sum award, or both, in accordance with the compensation plan. The director may set limits on the amount of performance pay that may be awarded in a fiscal year.
 - (B) **Performance ratings.**
 - (1) If the employee receives a needs improvement annual rating or an unsatisfactory interim or follow-up rating, the employee is not eligible for a base salary or lump sum award.
 - (2) If the employee receives an unsatisfactory interim or follow-up rating, the appointing authority may reduce the employee's base salary in accordance with the compensation plan.
- (d) **Conversion of performance-pay schedule to step schedule.**

If a classification is converted from a performance-pay schedule to a schedule with steps, an employee whose position is converted must be placed at a step at least equal to the employee's base salary under the performance-pay plan at the time of conversion in accordance with the regulations.

(e) Salary rate for temporary projects.

Upon request of an appointing authority, the state personnel director may approve alternative or supplemental compensation that exceeds the scheduled maximum rate of pay for an employee assigned to a temporary project. The appointing authority must receive written authorization for the project pay from the department of civil service before the employee is assigned to the project. Temporary project pay may not exceed two years without the written authorization of the state personnel director.

(f) Red-circled pay treatment. The state personnel director may authorize an employee's salary to be red-circled. An employee whose pay is red-circled continues to be paid at the employee's red-circled salary rate until the scheduled maximum salary of the employee's classification or classification level equals or exceeds the red-circled salary rate. An employee whose salary is red-circled is not eligible for any portion of a general wage adjustment that exceeds the maximum of the employee's classification or classification level.

5-3.5 Salary Rate upon Change in Classification, Return from Layoff, or Reinstatement

An employee who moves from one classification to another and who returns from layoff or is reinstated after separation is paid in the new classification at the appropriate salary step in accordance with the compensation plan.

5-3.6 Payment at Death of an Employee

The appointing authority shall pay the final wages due a deceased employee in accordance with a primary and secondary beneficiary designation filed by the employee under regulations issued by the state personnel director. In the absence of a valid beneficiary designation, payment is made only in accordance with the instructions of a court.

5-3.7 Compensation from Other State Sources

A classified employee who concurrently occupies more than one position in the state service cannot be credited with more than 80 hours in pay status for any purpose, except salary. Salary is prorated and paid by each department on the basis of time actually worked for each department.

5-3.8 Pilot Compensation Plans

The civil service commission may approve pilot compensation plans for individual classifications. A pilot compensation plan may be limited to a classification or group of classifications in one or more departments or programs, upon approval of the state personnel director.

5-3.9 Approval and Disapproval of Disbursements for the Classified Payroll

The state personnel director shall certify each payroll for the classified service. Payroll certification is based on computerized payroll system edits of payroll calculations and personnel transactions and the audit of personnel transactions for compliance with civil service rules and regulations. The director shall establish edit requirements and audit procedures. The director may delete from the payroll any item that cannot be certified under this rule and shall give notice of the action, together with the reason for the action, to the appointing authority concerned.

[Rule 5-3 last amended effective January 1, 2002]

5-4 Additional Compensation: Overtime, etc.

5-4.1 Additional Compensation

An appointing authority may require an employee to work under special conditions. An eligible employee working under the following special conditions is paid the pay premiums provided in this rule in accordance with the regulations.

5-4.2 Overtime

- (a) Eligibility.** The compensation schedules must identify each classification that is eligible for overtime pay. Overtime pay is paid to eligible employees for time in pay status in excess of 8 hours in a day and 40 hours in a week or as otherwise provided in the regulations.
- (b) Rate.** The overtime rate of pay is one and one-half times the employee's regular rate of pay, as defined in the regulations. The regulations may provide for accrual of compensatory time at the premium rate instead of a cash payment.

5-4.3 On-call

- (a) Eligibility.** The compensation schedules must identify each classification that is eligible for on-call pay. On-call pay is paid to an eligible employee who is scheduled to be available to return to duty, work-ready, within a specific time.
- (b) Rate.** The on-call rate of pay is one hour of straight time pay for each 5 hours of on-call time.

5-4.4 Callback

- (a) Eligibility.** The compensation schedules must identify each classification that is eligible for callback pay. Callback pay is paid to an eligible employee who is not on scheduled on-call status but is called back to duty outside of normal working hours.
- (b) Rate.** Callback pay is paid at the overtime rate of pay. An eligible employee is paid for a minimum of 3 hours unless called back within 3 hours of the employee's regular starting time.

5-4.5 Shift Differential

- (a) Eligibility.** The compensation schedules must identify each classification that is eligible for shift differential premium. The shift differential premium is payable to an eligible employee for each shift in which more than 50 percent of the employee's regularly scheduled shift falls between 4:00 p.m. and 5:00 a.m.
- (b) Rate.** The shift differential premium is 5 percent of an employee's regular rate.

5-4.6 Exclusions and Exceptions

- (a) Exclusions for SES and ECP Group 4.** An employee in the senior executive service or ECP Group 4 is not eligible to accrue compensatory time or to receive additional compensation for (1) overtime, (2) on-call time, (3) special shift, or (4) callback. However, if an employee otherwise qualifies, the employee is eligible for other premium pay provided in the compensation plan.
- (b) State police.** Notwithstanding the exclusion in subsection (a), a state police command officer participating in the high visibility patrol program and a state police lieutenant 14 or -15 (enlisted) is eligible to accrue compensatory time up to a maximum of 80 hours. The compensatory time will be paid at the employee's current rate at retirement.
- (c) Exceptions for ECP Groups 1, 2, and 3.** The state personnel director is authorized to grant eligibility for (1) overtime, (2) on-call time, (3) special shift, or (4) callback pay to employees in ECP Groups 1, 2, and 3 who are otherwise ineligible for these special pay premiums.

[Rule 5-4 last amended effective March 18, 2001]

5-5 Additional Compensation: Prison Employees

5-5.1 Prison Employee Premium

- (a) Eligibility.** An employee who meets any of the following eligibility criteria is paid a special prison premium rate:
- (1)** An employee assigned regular and recurring responsibility for custody or supervision of prisoners in the department of corrections.
 - (2)** An employee in a position located at a correctional or a mental health facility who handles, on a regular and recurring basis, the personal, financial, or other matters affecting the well-being of prisoners of the department of corrections.
 - (3)** An employee whose work location is within the security perimeter of a correctional facility or within a facility of the department of community health housing corrections prisoners, thereby placing the employee in an environment where physical confrontation could occur.
- (b) Exception.** An employee is not eligible for prison rate if the employee's classification or a predecessor classification was granted a special 5 percent increase in Part 1B of the minutes of the civil service commission meeting on December 14, 1978. The state personnel director shall list the current ineligible classifications in the regulations.
- (c) Rate.** The prison premium rate is \$0.40 an hour. The prison rate is paid for all hours in pay status, including holidays and leave time.

5-5.2 High Security Retention Premium

- (a) Eligibility.** An employee who meets the following eligibility criteria is paid a high security retention premium.
- (1)** An employee who is classified as a Forensic Security Supervisor 11 14 at the department of community health center for forensic psychiatry.
 - (2)** An employee in an eligible classification who works in an eligible facility:
 - (A) Eligible classifications.** An employee in the following classifications is eligible:
 - (1)** Corrections Security Inspector 13.
 - (2)** Corrections Shift Supervisor 11, 12, or 13.
 - (3)** Deputy Prison Warden 14.
 - (4)** Assistant Resident Unit Supervisor 11.
 - (5)** Resident Unit Manager 13, if the employee's office is in a housing unit considered a high security work unit.
 - (B) Eligible facilities.** An employee in the following facilities is eligible:
 - (1)** A correctional facility designated as level 4, 5, or 6 by the department of corrections. A level 4, 5, or 6 work unit or an administrative segregation work unit at another facility (i.e., regional, multiple, levels 3, 2, and 1) is not eligible.
 - (2)** Huron Valley Center.
 - (3)** An employee who receives the prison employee premium of \$0.40 an hour who has 2 years of continuous service, and is employed at one of the facilities listed in subsection (a)(2)(B).
- (b) Rate.** The high security retention premium is \$0.50 an hour. The high security retention premium of \$0.50 an hour and the prison employee premium of \$0.40 an hour cannot be paid simultaneously.

[Rule 5-5 last amended effective May 24, 2001]

5-6 Additional Compensation: Miscellaneous**5-6.1 High Structures and Tunnels Premium**

- (a) Eligibility.** An employee who works (1) on a structure over 40 feet in height that requires scaffolding or safety harnesses or (2) in a pressurized tunnel (new construction or reconstruction) is paid a hazard premium.
- (b) Exclusions.** Work performed from safety buckets (aerial equipment) is not eligible for hazard premium pay. Work performed in caissons is not eligible for hazard premium pay.
- (c) Rate.** The hazard premium is \$1.00 an hour for each hour of exposure. A minimum of 4 hours of hazard premium is paid for each day of exposure. The hazard premium is not paid for holidays or leave time used.

5-6.2 Explosive Materials Premium

- (a) Eligibility.** An employee of the department of state police assigned to handle and dispose of explosives is paid an explosives premium.
- (b) Rate.** The explosives premium is \$103.85 per biweekly pay period.

5-6.3 Premium for Department of Consumer and Industry Services Insurance Examiners Working out of State

- (a) Eligibility.** An employee who (1) is employed as an Insurance Examiner in the department of consumer and industry services, (2) is classified as an Auditor 9 12 or Auditor Manager 13, and (3) is required to work outside of the state of Michigan for extensive periods, is paid an out-of-state location premium.
- (b) Rate.** The out-of-state premium is \$10.00 per day.

5-6.4 Premium for Department of Treasury Auditors Working and Residing out of State

- (a) Eligibility.** An auditor employed in the department of treasury whose principal work location and residence are outside of the state of Michigan is paid an out-of-state location premium.
- (b) Rate.** The out-of-state location premium is \$25.00 per day.

5-6.5 Other Employees Residing out of State

- (a) Eligibility.** Any other classified employee whose primary work location and residence are outside of the state of Michigan may be paid an out-of-state location premium.
- (b) Rate.** The civil service commission shall determine the amount of the out-of-state location premium.

5-6.6 Emergency Response Compensation**(a) State Police.**

- (1) Eligibility.** A state police command officer is paid an emergency response compensation.
- (2) Rate.** The emergency response compensation is \$3.75 per day.

(b) Conservation Officer-Law Supervisors 13-16.

- (1) Eligibility.** A Conservation Officer-Law Supervisor 13-16 is paid an emergency response compensation.
- (2) Rate.** The emergency response compensation is \$3.00 per day.

5-6.7 Conservation Officer 13 Premium

An employee classified as a Conservation Officer-Law Supervisor 13 who is identified by the department of natural resources and approved as eligible by the department of civil service may be credited with an additional 1.2 hours of straight time compensation for each biweekly pay period.

5-6.8 Premium for Department of Education Schools for the Deaf and Blind Employees Providing Extracurricular Program Services

- (a) Eligibility.** An employee of the Schools for the Deaf and Blind who provides coaching or other extracurricular program services is paid an extracurricular activities premium.
- (b) Rate.** The civil service commission shall approve the payment of premiums for the extracurricular program services.

5-6.9 Jury Duty

An employee summoned to jury duty or subpoenaed as a witness for the people to give testimony related to state employment is paid the difference between any jury or subpoena fee received and the employee's regular pay during the period of required attendance.

5-6.10 Severance Pay

(a) Eligibility.

- (1) Employees.** The following employees are eligible for severance pay if they meet the criteria in subsection (a)(2) and are not disqualified by the criteria in subsection (a)(3):
 - (A)** An "agency based" employee of the department of community health laid off because of deinstitutionalization of the department of community health resident population after October 1, 1996.
 - (B)** A nonexclusively represented employee who is indefinitely laid off on or after October 1, 1995.
- (2) Criteria.** An employee is eligible if the employee was (1) laid off for at least 6 months, (2) was laid off in satisfactory employment status, and (3) was not separated from a temporary or limited-term appointment.
- (3) Disqualification.** An otherwise eligible employee is disqualified from receiving severance pay for any of the following reasons:
 - (A)** The employee dies before accepting payment.
 - (B)** The employee is hired in any position in the classified service.
 - (C)** The employee refuses recall to state employment located within a 75-mile radius of the agency from which the employee was laid off.
 - (D)** The employee is recalled to an indefinite appointment in a position covered by a collective bargaining agreement, in which case the agreement controls.
 - (E)** The employee is hired for any position outside of the classified service and the initial base hourly rate for the position is 75 percent or more of the employee's final base hourly rate in the position from which the employee was laid off.

(b) Time limits. The appointing authority shall notify an employee of the employee's severance pay option 6 months and 12 months after the layoff.

- (1)** The employee may accept in writing the lump sum severance payment at any time after the first notice until 14 calendar days after the second notice. The employee is deemed to have rejected severance pay if the employee does not timely accept the severance pay in writing.
- (2)** If the employee accepts severance pay, the appointing authority shall pay the employee within 60 calendar days and remove the employee's name from all recall and layoff lists.
- (3)** Acceptance of severance pay constitutes a break in service and terminates any rights to continuous service credits for any purpose, including annual leave accrual and longevity.

- (c) **Severance pay rates.** The severance payment for an eligible employee who accepts severance pay is determined by the regulations and the following table:

Years of Service	Weeks of Severance Pay
1	1
2	2
3	3
4	4
5	5
6	7
7	9
8	11
9	13
10	15
11	18
12	21
13	24
14	27
15	30
16	33
17	36
18	39
19	42
20	45
21	48
22	51
23 or more	52

- (d) If an employee receives a severance payment, the employee may be rehired in the classified service only under the conditions provided in the regulations.

[Rule 5-6 last amended effective May 23, 2002]

5-7 Expense Reimbursement

5-7.1 Travel Expense Reimbursement

- (a) **Eligibility.** An employee who incurs expenses for official travel is eligible for reimbursement in accordance with the standardized travel regulations issued by the department of management and budget and the state personnel director.
- (b) **Rates.** An employee is reimbursed at the rates approved by the civil service commission.
- (1) **Recommendation.** The director of the department of management and budget and the state personnel director shall jointly recommend to the commission the travel reimbursement rates. The joint recommendation must be submitted no later than April 30 of each year, for the fiscal year beginning October 1 of the same year.

- (2) Comments.** Before submitting the recommendation, the director of the department of management and budget shall solicit comments from employees and limited recognition organizations regarding travel reimbursement rates, methods, indices, and the rate-setting process.
- (3) Action by the commission.** The civil service commission shall review the recommendation and shall approve, reject, or modify the recommendation.
- (4) Exceptions.** For reasons of business necessity, the director of the department of management and budget and the state personnel director are authorized to approve individual exceptions that vary from the approved travel reimbursement rates or the standardized travel regulations.

5-7.2 Moving Expense Reimbursement

(a) Eligibility.

- (1) Employees.** An employee who receives a lateral job change for the convenience and benefit of the state is eligible for reimbursement of moving expenses in accordance with the standardized travel regulations. An employee who is displaced because of a reduction in force and exercises employment preference is not eligible for reimbursement of moving expenses.
- (2) New employees.** An appointing authority may pay the moving expenses of a new employee not previously on the state payroll, in accordance with the standardized travel regulations.

- (b) Rates.** The rates for reimbursement of moving expenses are established in the standardized travel regulations.

5-7.3 Miscellaneous Reimbursements

(a) Safety Shoes.

- (1) Eligibility.** Employees who are required by their employer to wear safety shoes or boots while performing their job duties are eligible for reimbursement of the actual cost of the safety shoes.
- (2) Limits.** An employee may be reimbursed, at the employee's option, a maximum of either (1) \$80 annually or (2) \$160 every two years.

(b) Uniform cleaning allowances.

- (1) Eligibility.** An employee classified as a Motor Carrier (Sergeant) 13, Motor Carrier (Lieutenant) 14, or State Properties Security Supervisor 10, is eligible for a uniform cleaning allowance.
- (2) Rate.** The uniform cleaning allowance is a maximum of \$450 per year. The appointing authority may pay the allowance on a prorated periodic basis.

(c) State Police Uniform or Cleaning Allowance.

- (1) Eligibility.** An enlisted employee the department of state police at or above the Lieutenant level is eligible for either a uniform cleaning allowance (if uniformed) or a clothing allowance (if not uniformed), as authorized by the appointing authority.
- (2) Rate.** The uniform cleaning allowance is a maximum of \$525 per year. The clothing allowance is a maximum of \$900 per year. The appointing authority may pay the allowance on a prorated periodic basis.

(d) Physical fitness awards.

The department of state police may implement a physical fitness awards program for nonexclusively represented employees that is substantially equivalent to the program applicable to exclusively represented troopers and sergeants. Awards are limited to sick leave credits deposited into and dispersed from a sick leave bank.

[Rule 5-7 last amended effective October 1, 2001]

5-8 Longevity Payment

An employee who is expected to complete or has completed the equivalent of 6 years of full time currently continuous employment in a fiscal year is eligible for an annual longevity payment on October 1 of that fiscal year in the amount provided below:

Years of Full-time Service Expected to be Completed During the Fiscal Year	Annual Longevity Payment Due on October 1 of the Fiscal Year
6 - 9	\$260
10 - 13	\$300
14 - 17	\$370
18 - 21	\$480
22 - 25	\$610
26 - 29	\$790
30 & over	\$1,040

An employee with a break in continuous service but more than 6 years total employment is eligible for a longevity payment based on total years of service after completing the equivalent of 5 years of full-time currently continuous employment. The longevity payment is paid at the time and in the manner provided in the regulations.

[Rule 5-8 last amended effective March 18, 2001]

5-9 Supplement to Workers' Disability Compensation

5-9.1 Duty-incurred Disability Payment

Eligibility for workers' disability compensation is established under the Michigan Workers' Disability Compensation Act. In addition, an appointing authority shall pay a supplemental payment authorized in this rule to an eligible injured employee.

5-9.2 General Supplement up to Two-thirds

- (a) Eligibility.** A classified employee who is disabled by injury or illness for which the employee is eligible for state workers' disability compensation payments is eligible for this supplement.
- (b) Rate.** The appointing authority may allow a supplemental wage payment that, together with the workers' disability compensation payment, equals two-thirds of the regular salary or wage, subject to the limitations authorized in the regulations.

5-9.3 Special Supplement up to Full Weekly Net Wage

(a) Eligibility.

(1) Employees. The following employees are eligible:

- (A)** An employee of the department of corrections in a correctional facility who is injured during a riot or as a result of an assault by a prisoner housed in the correctional facility.
- (B)** An employee of the department of state who is injured as a result of an assault while performing employment duties, rendering direct services to the public.
- (C)** An employee of the department of community health who is injured as a result of an assault by a recipient of mental health services.

- (D) An employee of the family independence agency who is injured during the course of employment as a result of an assault by a recipient of social services at the W. J. Maxey Training School campus in Whitmore Lake or any of its affiliated facilities, the Adrian training school in Adrian, the Arbor Heights Center in Ann Arbor, Camp Nokomis in Prudenville, Camp Shawano in Grayling, or a similar facility under the jurisdiction of the family independence agency established or funded by the state.
- (E) A person employed by the department of military and veterans affairs who is injured during the course of employment as a result of an assault by a recipient of social services at the Grand Rapids veterans facility at Grand Rapids, the D. J. Jacobetti veterans facility at Marquette, or any other veterans facility operated by the department of military and veterans affairs.

(2) Limitations.

- (A) The supplement is payable to an employee who is injured as the result of (1) a direct assault, (2) aiding another employee who is assaulted, or (3) responding, when officially obligated, to an alarm signaling an assault.
 - (B) The supplement cannot exceed 100-weeks.
 - (C) The supplement cannot be paid if the employee receives any similar workers' disability compensation supplement authorized by statute, including supplements authorized in Michigan Compiled Laws (MCL) §791.263a, MCL §38.1181, MCL §330.1113, MCL §400.1c, and MCL §333.2229.
- (b) Rate.** An eligible employee receives full wages from the employing department until workers' compensation benefits begin. After benefits begin, the employee receives a supplement that, when added to the workers' compensation benefits, equals the weekly net wage of the employee at the time of the injury. This supplement is paid only while the person is on the department's payroll and receiving workers' compensation benefits. Fringe benefits normally received by an employee remain in effect while the employee receives this supplement.

[Rule 5-9 last amended effective March 18, 2001]

5-10 Paid Holidays and Leave

5-10.1 Paid Holidays

A full-time career employee is allowed 8 hours paid absence from work on 12 approved state holidays. A less than full-time career employee is allowed paid holiday absence in proportion to the time actually in pay status, in accordance with the regulations.

- (a) Procedure.** The state personnel director shall establish the appropriate dates for holiday observances and additional standards for determining employee eligibility.
- (b) Work on a holiday.** An appointing authority may require an employee to work on a paid holiday. Such an employee is compensated in accordance with any applicable provisions governing compensation for overtime and shift differential.

5-10.2 Paid Leave

- (a) Leave accrual and accumulation.**
 - (1) Annual and personal leave.**

- (A) Upon entry into the classified service, an eligible employee is credited with an initial annual leave grant of 16 hours, which is immediately available for use, upon approval of the appointing authority. The 16 hours of annual leave cannot be credited to an employee more than once in a calendar year.
- (B) After completion of 720 hours of paid service in the initial appointment, an eligible employee has annual leave credited in accordance with the following leave table:

Years of Service	Hours of Annual Leave Accrued (for 80 hours of service)	Maximum Accumulation (total hours of annual and personal leave)
Less than 1	4.0	256
1 - 5	4.7	256
5 - 10	5.3	271
10 - 15	5.9	286
15 - 20	6.5	301
20 - 25	7.1	306
25 - 30	7.7	316
30 - 35	8.4	316
35 - 40	9.0	316
40 - 45	9.6	316
45 and above	10.2	316

- (C) An employee paid for less than 80 hours in a biweekly pay period is entitled to a prorated amount of annual leave. Paid service in excess of 80 hours in a biweekly pay period is not counted.
- (D) In addition to annual leave, an eligible employee with at least 6 months of continuous satisfactory service on October 1 of each year is credited with 16 hours of personal leave.
- (E) An employee may accumulate credited annual and personal leave hours up to the combined maximum authorized in the leave table in subsection (a)(1)(B). Any annual or personal leave hours earned above the maximum accrual cannot be credited and the hours are lost.
- (2) **School participation leave.** An eligible employee who has completed 1,040 hours of satisfactory service is credited with 8 hours of school participation leave each October 1. School participation leave credits not used by the last pay period of the fiscal year are lost.
- (3) **Sick leave.** A career employee in the classified service is credited with 4 hours of sick leave with pay for each completed 80 hours of service. An employee paid for less than 80 hours in a biweekly pay period is entitled to a prorated amount of sick leave. Paid service in excess of 80 hours in a biweekly pay period is not counted.
- (b) **Leave use and limitations.**

- (1) **Crediting and use of annual, personal, and school participation leave credits.** An employee is credited with annual, personal, and school participation leave in accordance with the compensation plan. An employee may use annual, personal, and school participation leave when approved by the appointing authority in accordance with the compensation plan.
- (2) **Crediting and use of sick leave.** An employee is credited with sick leave in accordance with the compensation plan. An employee may use sick leave in accordance with the compensation plan. An appointing authority may require an employee to present medical certification of physical or mental fitness to continue working. The appointing authority may require an employee to be examined at state expense by a physician selected by the appointing authority.
- (3) **Other limitations.** Annual, personal, school participation, and sick leave cannot be authorized, accumulated, or credited in excess of limits established in the compensation plan.
- (4) **Special credit for annual leave and longevity.** Solely for the purpose of annual leave and longevity credit, a career employee is allowed state service credit for the following:
 - (A) Service in a nonelective excepted or exempted position in a principal department, the legislature, or the supreme court, that immediately precedes entry or return to the classified service.
 - (B) Up to five years of honorable service in the armed forces of the United States completed before entry into the classified service. When an employee who has received additional annual leave and longevity separates from the classified service and subsequently returns, military service previously credited is recognized as prior service, subject to requalification for the benefits of this rule.

5-10.3 Banked Leave Time Program

(a) Eligibility.

Notwithstanding any other civil service rule or regulation, all employees in career appointments shall participate in the banked leave time program provided in this rule.

(b) Operation.

- (1) **Work schedule and hours in pay status.** This rule does not alter an employee's work period, work schedule, or the requirement that each employee report all hours in pay status.
- (2) **Reduction in pay.** Notwithstanding the number of hours in pay status, each employee's gross biweekly pay is reduced by an amount equal to one of the following:
 - (A) **Reduction for full-time employees.** For employees in full-time appointments, the gross pay reduction is equal to 4 hours of pay, computed at the employee's base rate of pay.
 - (B) **Reduction for less than full-time employees.** For employees in less than full-time appointments, the gross pay reduction is equal to 5 percent of the hours in pay status, but not exceeding 4 hours, at the employee's base rate of pay.
- (3) **Conversion of unpaid time to banked leave time.** For each hour or partial hour in pay status that is unpaid as provided in subsection (b)(2), the employee is credited with an equal amount of banked leave time. An employee may accumulate a maximum of 104 banked leave hours.

- (4) Use of banked leave time.** When approved by the appointing authority, an employee may use accumulated banked leave time in the same manner as provided in [rule 5 10.2\(b\)\(1\)](#) and the applicable regulations for the use of annual leave.
- (5) Conversion of unused banked leave time.** If an employee separates or retires from the classified service or dies while employed in the classified service, the value of any unused banked leave time shall be contributed as a non-elective employer contribution to the employee's State of Michigan 401(K) plan account and, if applicable, to the State of Michigan 457 plan account.
- (A) Value of contribution.** The amount of a contribution is the product of (1) the number of unused banked leave hours and (2) the employee's last rate of pay for annual leave at the time of separation, retirement, or death.
- (B) Location of contribution.** A contribution is first made to the employee's State of Michigan 401(K) plan account. If a contribution, when combined with other projected contributions, would exceed the maximum allowed under §415 of the Internal Revenue Code, any excess is deposited in the employee's State of Michigan 457 plan account.
- (6) Relation to other rules and regulations.**
- (A) Insurance, leave accruals, and service credits.**
Notwithstanding any other civil service rule or regulation or the fact that an employee's pay is reduced under subsection (b)(2), all time in pay status for which an employee receives banked leave time instead of pay is considered creditable time for all purposes, including, but not limited to, the following:
- (1)** satisfaction of the standard 80-hour biweekly work period for full-time employees [\[rule 5-2.1\]](#).
 - (2)** Compliance with compensation schedules [\[rule 5-3\]](#).
 - (3)** Eligibility for overtime compensation [\[rule 5-4.2\]](#).
 - (4)** Computation of service hours for the following:
 - (a)** Longevity [\[rule 5-8\]](#).
 - (b)** Annual and personal leave [\[rule 5-10.2\(a\)\(1\)\]](#).
 - (c)** School participation leave [\[rule 5-10.2\(a\)\(2\)\]](#).
 - (d)** Sick leave [\[rule 5-10.2\(a\)\(3\)\]](#).
 - (e)** Holiday pay for less than full-time appointments [\[rule 5-10.1\]](#).
 - (f)** Completion of a probationary period [\[rule 3-6.2\]](#).
 - (5)** Eligibility for group insurance plans and benefit levels [\[rules 5-2.2 and 5-11\]](#).
 - (6)** Computation of total continuous service hours for all purposes, including, but not limited to, employment preference, layoff, recall, step increases, and, if authorized by statute, retirement.
- (B) Not a break in service.** An employee does not incur a break in service as a result of participation in the banked leave time program.
- (C) Voluntary work schedule adjustment plans.** An employee must use all banked leave time before incurring unpaid Plan A or Plan C hours under the voluntary work schedule adjustment plans [\[rule 5-2.3\]](#).

(D) Annual leave cap. Banked leave time does not apply to the annual and personal leave maximum provided in [rule 5-10.2\(a\)\(1\)\(B\)](#).

(c) Effective dates. The banked leave time program is in effect from October 12, 2003, to October 9, 2004, except that any banked leave time unused as of October 9, 2004, does not expire. After October 9, 2004, an employee may continue to use banked leave time as provided in [subsection \(b\)\(4\)](#). If, after October 9, 2004, an employee separates or retires from the classified service or dies with unused banked leave hours, the hours shall be treated as provided in [subsection \(b\)\(5\)](#).

¹Editor's Note: The banked leave time program is also referred to as "Part B of the Annual and Sick Leave Program."

[Rule 5-10 last amended effective October 9, 2003]

5-11 Group Insurance Plans

5-11.1 Types of Group Insurance Plans

(a) Types of group insurance plans. The department of civil service may provide eligible employees with the following group insurance plans as approved by the civil service commission:

- (1)** A medical benefit plan.
- (2)** A dental benefit plan.
- (3)** A vision benefit plan.
- (4)** A life insurance plan.
- (5)** An accidental death benefit plan.
- (6)** A long-term disability income protection plan.

(b) Recommendations. The employer, limited recognition organizations, and nonexclusively represented employees may annually recommend changes in the group insurance plans in the coordinated compensation process. The coordinated compensation panel shall make a final recommendation to the civil service commission.

(c) Action by the commission. The civil service commission shall review the final recommendation of the coordinated compensation panel and may approve, reject, or modify the recommendation of the coordinated compensation panel.

(d) Publication. The department of civil service or plan provider shall make available to employees documentation describing each group insurance plan approved by the civil service commission.

(e) Administration. The department of civil service is responsible for implementing and administering the group insurance plans approved by the civil service commission.

(1) Complaints. The state personnel director shall provide an expedited administrative review of employee complaints regarding group insurance plan coverages, exclusions, and costs. The director's administrative review process is the exclusive procedure for reviewing employee complaints regarding group insurance plan coverages, exclusions, and costs.

(2) Agreements with other public entities. The state personnel director may approve agreements with other public entities to permit their employees to participate in group insurance plans administered by the department of civil service if 100 percent of any additional total cost of participation is paid by the participating public entities or their employees.

(f) Other benefits.

- (1) The department of civil service may establish and administer flexible spending accounts authorized under federal law.
- (2) The state personnel director may authorize payroll deduction of premiums for other insurance or benefit programs if the employee pays 100 percent of the total cost.

5-11.2 Eligibility for Group Insurance Plans

Classified employees are eligible for group insurance benefits approved by the civil service commission in accordance with the following eligibility table:

		EMPLOYEE STATUS			
		CAREER APPOINTMENTS (INDEFINITE AND LIMITED-TERM):			NONCAREER APPOINTMENTS
BENEFIT PLAN	FULL- TIME	PART- TIME	INTERMITTENT	SEASONAL	
HEALTH PLAN	Eligible	Eligible	Eligible	Eligible	Not Eligible
DENTAL PLAN	Eligible	Eligible (if working > 40% of full- time)	Eligible (if working > 40% of full-time)	Eligible if working full- time at least 8 months per year	Not Eligible
VISION PLAN	Eligible	Eligible (if working > 40% of full- time)	Eligible (if working > 40% of full-time)	Eligible if working full- time at least 8 months per year	Not Eligible
LIFE INSURANCE PLAN	Eligible	Eligible (if working > 40% of full- time)	Eligible (if working > 40% of full-time)	Eligible (if working > 40% of full- time)	Not Eligible
ACCIDENTAL DUTY DEATH	Eligible	Eligible	Eligible	Eligible	Not Eligible
LONG-TERM DISABILITY PLAN	Eligible	Eligible (if working > 40% of full- time)	Eligible (if working > 40% of full-time)	Eligible if working full-time	Not Eligible

5-11.3 Costs of Group Insurance Plans

- (a) **Costs.** The department of civil service shall annually determine the total cost per employee to provide each group insurance plan benefit approved by the civil service commission. During the coordinated compensation process, the employer may propose that the cost of each group insurance plan be paid in part or in whole by an employee.
- (b) **Costs for part-time employees hired after December 31, 1999.** Notwithstanding any apportionment of costs approved by the civil service commission, an eligible part-time career employee is required to pay one-half of the total cost of the medical, dental, vision, and life insurance plans if (1) the employee has a regular work schedule of less than 50 percent of full-time and (2) the employee was hired into the classified service after December 31, 1999.

[Rule 5-11 last amended effective July 24, 2003]

5-12 Maintenance Allowance

When allowances are made for maintenance or other purposes, they are considered as part of compensation, unless specifically excepted by the civil service commission. A payment of allowance for maintenance, such as meals, lodging, domestic or other personal services, medical care or treatment, laundry, or other services is made in accordance with the compensation plan.

[Rule 5-12 last amended effective March 18, 2001]

5-13 Retirement

A classified employee is eligible for retirement benefits as provided by law.

[Rule 5-13 last amended effective March 18, 2001]

5-14 Coordination of Benefits

The state personnel director, in consultation with the employer, shall coordinate the civil service compensation plan with statutory benefit plans such as workers' disability compensation, duty and nonduty disability retirement, and social security disability.

[Rule 5-14 last amended effective March 18, 2001]

5-15 Electronic Funds Transfer

The salary or wages of an employee hired after October 1, 2002, shall be paid by means of an electronic funds transfer (EFT) into an account at a financial institution designated by the employee. The appointing authority may waive the requirement of payment by an EFT if payment by an EFT causes an undue hardship for the employee.

[Rule 5-15 added effective October 1, 2002 - CS-6985]

5-16 Temporary Furloughs

5-16-1 Unpaid Furlough Hours

(a) Unpaid furlough hour defined. An unpaid furlough hour is an otherwise regularly scheduled work hour during which the employee, at the direction of the appointing authority, does not work and is not paid.

(b) Relation to other rules and regulations.

(1) Insurance, leave accruals, and service credits. Notwithstanding any other civil service rule or regulation or the fact that an employee's work hours or pay is reduced by the requirement to take unpaid furlough hours, all unpaid furlough time is considered creditable time for all purposes, including, but not limited to, the following:

(A) Satisfaction of the standard 80-hour biweekly work period for full-time employees [[rule 5-2.1](#)].

(B) Compliance with compensation schedules [[rule 5-3](#)].

(C) Eligibility for overtime compensation [[rule 5-4.2](#)].

(D) Computation of service hours for the following:

(1) Longevity [[rule 5-8](#)].

(2) Annual and personal leave [[rule 5-10.2\(a\)\(1\)](#)].

(3) School participation leave [[rule 5-10.2\(a\)\(2\)](#)].

(4) Sick leave [[rule 5-10.2\(a\)\(3\)](#)].

(5) Holiday pay for less than full-time appointments [[rule 5-10.1](#)].

(6) Completion of a probationary period [[rule 3-6.2](#)].

(E) Eligibility for group insurance plans and benefit levels [[rules 5-2.2](#) and [5-11](#)].

(F) Computation of total continuous service hours for all purposes, including, but not limited to, employment preference, layoff, recall, step increases, and, if authorized by statute, retirement.

(2) **Not a break in service.** An employee does not incur a break in service as a result of taking unpaid furlough hours.

(3) **No substitution.** An employee cannot substitute annual leave, sick leave, school leave, banked leave time, or any other paid status for an unpaid furlough hour.

(c) Scheduling unpaid furlough hours.

(1) Scheduled day on January 2, 2004.

(A) All employees, except essential employees who are required to work on January 2, 2004, shall be furloughed without pay on January 2, 2004.

(B) If an employee (1) is not designated as an essential employee and the employee's regular day off falls on January 2, 2004, or (2) is designated as an essential employee and works on January 2, 2004, the employee must schedule and take the following number of unpaid furlough hours in accordance with [subsection \(c\)\(2\)](#) [Floating Unpaid Furlough Hours]:

(1) An employee in a full-time appointment must schedule and take 8 unpaid furlough hours.

(2) An employee in a less than full-time appointment must schedule and take a pro rata share of 8 unpaid furlough hours, as provided in the regulations.

(C) Furloughed employees who have a regular work schedule in excess of 8 hours on January 2, 2004, may elect any one of the following to complete their scheduled work day in excess of 8 hours:

(1) Use accrued annual leave hours, banked leave time hours, or compensatory time.

(2) Accept lost time.

(3) Accept unpaid furlough hours.

(2) **Floating unpaid furlough hours.** Notwithstanding any other rule or regulation, each employee is required to take the following number of unpaid furlough hours between October 12, 2003, and September 30, 2004, consistent with applicable law:

(A) An employee in a full-time appointment hired on or before October 12, 2003, is required to take 40 hours of unpaid furlough leave. Any unpaid furlough hours taken on January 2, 2004, count toward the 40-hour requirement.

(B) An employee in a full-time appointment hired after October 12, 2003, or an employee in a less than full-time appointment is required to take a pro rata share of 40 unpaid furlough hours, as provided in the regulations. Any unpaid furlough hours taken on January 2, 2004, count toward the hours requirement.

(3) **Scheduling by employee.** An employee may take floating unpaid furlough hours when approved by the appointing authority in the same manner as annual leave. However, an employee cannot take more than 8 hours of unpaid furlough hours in any one week (defined as Sunday through the following Saturday).

(4) Scheduling by appointing authority. If an employee has not scheduled the required unpaid furlough hours by May 24, 2004, the appointing authority shall schedule any remaining required unpaid furlough hours. The appointing authority must give an employee notice of any scheduled unpaid furlough hours at least 14 calendar days before the beginning of the pay period in which the unpaid furlough hours are scheduled. The appointing authority shall not schedule more than 8 unpaid furlough hours in any one pay period.

5-16-2 Paid Furlough Day

- (a) Paid furlough day defined.** A paid furlough day is an otherwise regularly scheduled work day during which the employee is prohibited from working but is paid in the same manner and rate of pay as if the paid furlough day was an approved state holiday authorized under [rule 5 10.1](#) [Paid Holidays].
- (b) Scheduled on December 26, 2003.** All employees, except essential employees who work on December 26, 2003, shall take 1 paid furlough day on December 26, 2003.
- (c) Essential employees.** If an employee is designated as an essential employee and works on December 26, 2003, the employee is credited with a number of hours of annual leave equal to the number of hours actually worked, but not exceeding 8 hours, in addition to any pay for the time worked on December 26, 2003.
- (d) Scheduled regular day off.** If an employee in a full-time appointment does not work on December 26, 2003, because of a scheduled regular day off, the employee is credited with 8 hours of annual leave. If an employee in a less than full-time appointment does not work on December 26, 2003, because of a scheduled regular day off, the employee is credited with a pro rata share of 8 hours of annual leave, as provided in the regulations.

5-16-3 Essential Employees

An appointing authority may, in its sole discretion, designate as an essential employee for the purposes of this rule any employee who is required to work on December 26, 2003, or January 2, 2004.

5-16-4 Exemptions

An appointing authority, with the consent of the state employer, may request that the state personnel director exempt an employee from the obligation to take some or all of otherwise required unpaid furlough hours. Notwithstanding [section 5-16.1\(c\)](#), the state personnel director may exempt the employee if the director determines that (1) the employee is providing immediate essential public services or (2) uncommon extenuating circumstances warrant granting an exemption for the employee.

5-16-5 Grievances

If an employee is aggrieved by application of this rule and the complaint is otherwise grievable under rule [8-1.3\(a\)\(1\)](#) through [8-1.3\(a\)\(8\)](#), the employee may file a grievance under and in accordance with rule 8-1 [Grievances].

[Rule 5-16 added effective October 9, 2003]

5-17 Deferred Retirement Option Plan for State Police Command Officers

5-17.1 General

A state police command officer electing to participate in the deferred retirement option plan authorized in section 24a of Public Act 182 of 1986, as added in Public Act 83 of 2004, may continue as an active classified employee while participating in the deferred retirement option plan. Until the participating employee terminates participation in the deferred retirement option plan and retires, the participating employee remains subject to (1) all civil service rules and regulations, including this rule, and (2) all policies, procedures, and work rules of the department of state police applicable to other active state police command officers.

5-17.2 Special Provisions

Notwithstanding any other civil service rule or regulation, the following special provisions apply to all state police command officers participating in the deferred retirement option plan:

(a) Sick leave.

(1) Sick leave balance.

(A) Hired before October 1, 1980. As of the effective date of participation in the deferred retirement option plan, a participating employee hired before October 1, 1980, may elect to retain up to 240 hours of unused sick leave for use while continuing on active duty. An employee will be paid for 50 percent of any unused sick leave not retained. Payment is made as provided in subsection (f).

(B) Hired on or after October 1, 1980. As of the effective date of participation in the deferred retirement option plan, a participating employee hired on or after October 1, 1980, may elect to retain up to 240 hours of unused sick leave for use while continuing on active duty. Any unused sick leave exceeding 240 hours is lost.

(2) No further sick leave earned. As of the effective date of participation in the deferred retirement option plan, a participating employee does not accrue any further sick leave. A participating employee is not paid for any unused sick leave remaining at retirement.

(b) Annual and personal leave.

(1) Annual and personal leave balance. As of the effective date of participation in the deferred retirement option plan, a participating employee may elect to be paid for some or all accrued annual and personal leave. Payment is made as provided in subsection (f). The employee may retain up to 76 hours of unused and unpaid annual and personal leave for use while continuing on active duty.

(2) Further leave earned.

(A) Annual leave. As of the effective date of participation in the deferred retirement option plan, a participating employee is credited with 7.7 hours of annual leave for each 80 hours of creditable time in a biweekly pay period. If a participating employee has fewer than 80 hours of creditable time in a biweekly pay period, the participant is entitled to a prorated amount of annual leave for that pay period.

(B) Personal leave. On October 1 of each year, a participating employee is credited with 16 hours of personal leave.

(C) Maximum accrual. A participating employee may accumulate up to 200 hours of annual and personal leave, including any hours carried over. Any annual or personal leave hours earned above 200 hours cannot be credited and the hours are lost.

(D) At retirement, a participating employee will be paid for up to 76 hours of unused annual and personal leave.

- (3) Banked leave time program.** All employees participating in the deferred retirement option plan shall participate in the banked leave time program provided in rule 5-10.3.
- (c) Longevity pay.** A participating employee is not eligible for, and cannot receive, any longevity pay under [rule 5-8 \[Longevity Payment\]](#).
- (d) Compensatory time.**

 - (1) Compensatory time balance.** As of the effective date of participation in the deferred retirement option plan, a participating employee is paid for all accrued compensatory time. Payment is made as provided in subsection (f).
 - (2) Further compensatory time for lieutenants.** As of the effective date of participation in the deferred retirement option plan, a participating employee classified at the state police lieutenant 14 or 15 level and the employee's supervisor may agree to allow the employee to accrue up to 48 hours of compensatory time. A participating employee is paid for up to 48 hours of unused compensatory time at retirement.
- (e) Group insurance plan premiums.**

 - (1) Eligibility.** An employee participating in the deferred retirement option plan is eligible for group insurance as a career employee as provided in [rule 5-11.2 \[Eligibility for Group Insurance Plans\]](#).
 - (2) Participating employee costs.**

 - (A) Health, dental, and vision plans.** Notwithstanding rule [5-11.3 \[Costs of Group Insurance Plans\]](#), a participating employee enrolled in a group health, dental, or vision insurance plan shall pay an amount equal to the amount the employee would have paid for the plan if the employee had retired on the day before becoming a participant in the deferred retirement plan option.
 - (B) Long-term disability income protection plan.** A participating employee enrolled in the long-term disability income protection plan shall pay the amount required under [rule 5 11.3 \[Costs of Group Insurance Plans\]](#).
- (f) Payments.** Payments due to a participating employee for accrued sick leave, annual leave, and compensatory time may be paid, at the sole discretion of the appointing authority, either (1) in a lump sum or (2) at the rate of 17 percent of the outstanding balance per year. Any lump sum payment is due in the first full pay period beginning after the employee becomes a participant in the deferred retirement option plan. If paid at the rate of 17 percent per year, any balance remaining when the employee retires is paid in a lump sum.
- (g) Effective date of participation.** An employee, for purposes of this rule, becomes a participant in the deferred retirement option plan on the day established as the effective date by the office of retirement services under section 24a of Public Act 182 of 1986, as added by Public Act 83 of 2004.
- (h) Severability.** If the United States internal revenue service gives notice that any portion of this rule would cause the deferred retirement option plan to be disqualified for tax purposes under the internal revenue code, 26 USC §1, et seq, then that portion of the rule may be severed and does not apply.

[Rule 5-17 added effective April 29, 2004]

[End of Chapter 5]

[Michigan.gov Home](#) | [MDCS Home](#) | [Contact MDCS](#) | [State Web Sites](#)
[Privacy Policy](#) | [Link Policy](#) | [Accessibility Policy](#) | [Security Policy](#) | [Michigan News](#)

Copyright © 2001-2004 State of Michigan